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State of Utah

DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

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DOGM
MINERALS PROGRAM
FILE COPY

July 25, 1990

Mr. Ron Johnson
Assistant Vice President
First Security Bank
P. O. Box 129
Monticello, Utah 84535

Dear Mr. Johnson:

Re: Reclamation Surety, MiVida Mine, Minerals West Incorporated, M/037/028, San Juan County, Utah

I am responding to your letter dated July 17, 1990, in which you requested information regarding the status of the \$17,938.92 reclamation surety the Division holds on the MiVida mine site.

First, the amount the Division requires, for this surety, is only \$15,773. Any amount above this figure (in this case \$2,165.72) can be released to the originator of the collateral. A formal request should be made to the Division in order to proceed with such a release.

The complete reclamation surety cannot be released at this time, because the site is not under 5 acres and another operator has not stepped forward to assume the surety and associated responsibilities for reclaiming the site. I checked the acreage at the MiVida site last September of 1989 and came up with 5.6 acres of disturbance.

The surety can be released in two different ways: 1) Minerals West, Incorporated, must reclaim the mine site, or 2) another operator must assume the reclamation responsibilities by filing with the Division and posting a surety/bond.

I have heard nothing from Energy Fuels Corporation concerning the acquisition of the MiVida site since last fall of 1989. Any information you have is more current than mine. If Energy Fuels is, in fact, still interested in the site, there will be several months of review, once initiated, necessary before they are permitted. Another option would be for Energy Fuels to acquire the site as is, and proceed with a plan amendment at a later

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date. This would alleviate the long waiting period necessary for this Division and State Health to complete the respective reviews of the plan.

I understand the frustration this has created for you. Please understand the position of the Division, as explained above. We cannot release the surety without adequate reclamation or a new obligee. I hope this addresses all your questions. Please call if you need further clarification.

Sincerely,

A handwritten signature in dark ink, appearing to read "H. Shepherd", with a large, stylized flourish at the end.

Holland Shepherd
Reclamation Specialist

jb
cc: Francis Lyman, Minerals West Inc.
WMN.1/1-2